



Consumer Electronics Association

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March 1, 2004

VIA ECFS

Ms. Marlene H. Dortch
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, D.C. 20554

Re: *Ex Parte* Communications in CS Docket 97-80

Dear Ms. Dortch:

This is to notify you that on February 28, 2005, Adam Goldberg (Sharp Laboratories of America, Inc.), John Godfrey (Pioneer North America), Jim Morgan (Sony Electronics Inc.), Robert Schwartz (McDermott Will & Emery and counsel to CEA), Brian Markwalter (CEA) and Julie Kearney (CEA), met in separate meetings with Jon Cody, Legal Advisor to Chairman Powell, and Deborah Klein, Bill Johnson, Rick Chessen, Steve Broeckaert, and Natalie Roisman, all of the Media Bureau.

Our meetings were in response to a February 24, 2005 *ex parte* notice filed by Time Warner Cable, Comcast, and Microsoft Corporation. This notice pertained to discussions between senior executives of these three companies and Chairman Michael K. Powell and Mr. Cody.

Regarding the proposed extension of the July 1, 2006 deadline by which cable operators must rely on a common security interface (i.e., CableCARDTM), the consumer electronics and information technology industries remain steadfast in their view that the July 1, 2006 date for such common reliance must be maintained as the Commission's rules require.

It is our belief that software downloadable security can be achieved within the context of 47 C.F.R. Section 76.1204, provided that it is mutually developed between the CE/IT and cable industries in an open forum (such as an ANSI-accredited standards organization) and, consistent with previous Commission decisions in this docket, is available on a nationwide standard basis with reasonable licensing terms, as discussed below. It is not necessary to repeal the common security requirement in order to achieve a future downloadable security solution, and any arguments to the contrary are merely efforts to stall implementation of the existing rule.

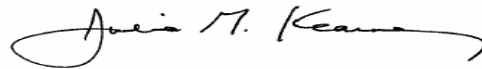
In principle, downloadable security could be implemented in the form of a common processing element in cable-ready retail devices and cable operator leased devices, with a separable security software element for conditional access downloaded from each local cable system. A software technology meeting the Commission's requirements is not currently available. The critical issue for any such technology is common reliance -- the CE and IT industries must have the ability to use the same technology in retail devices that cable operators use. It simply is not acceptable for cable operators to use downloadable security while CE and IT must use the CableCARD; such an outcome would eliminate all benefits of common reliance.

At our meeting, we urged the Commission to maintain the current July 1, 2006 deadline so the incentives and consumer benefits that arise from common reliance, which CEA has thoroughly described on many other occasions, finally will begin to take effect. On a parallel track, the Commission must oversee any industry exploration of the downloadable security option to ensure that any downloaded software technology will meet the Commission's common reliance requirements. As part of this oversight, there are several crucial technical and licensing issues that the Commission should address -- which are similar to those issues that surrounded the development and deployment of the CableCARD. These include:

1. A guarantee that the Commission will provide oversight to ensure that license terms for the new downloadable security will be reasonable, nondiscriminatory, and will not address in any way the features and functions of the host device other than the minimum necessary to protect cable networks from theft of service and protection of content;
2. Development of a nationwide (universal) standard for the host-side implementation (i.e., security chip, software and hardware that are incorporated into the cable-ready retail devices and cable operators' set top boxes), so the devices can move anywhere in the country and receive the downloadable security from the local cable operator;
3. Requirements for handling copy-protected content; and
4. A requirement that cable operators nationwide use the new software downloaded security technology only when it becomes available for use in retail devices on a nationwide standard basis with reasonable licensing terms, as discussed above. In the meantime, while any software downloadable security technology is being developed, the current requirement for use of CableCARD by July 1, 2006 should stand.

This letter is being provided to your office in accordance with Section 1.1206 of the Federal Communications Commission rules. A copy of this letter has been delivered by e-mail to the meeting participants.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Julie M. Kearney", with a long horizontal flourish extending to the right.

Julie M. Kearney
Senior Director, Regulatory Affairs

cc: The Honorable Michael K. Powell
Commissioner Kathleen Abernathy
Commissioner Kevin Martin
Commissioner Michael Copps
Commissioner Jonathan Adelstein
Jon Cody
Jordan Goldstein
Stacy Robinson Fuller
Daniel Gonzalez
Catherine Crutcher Bohigian
Eric Bash
Kenneth Ferree
Deborah Klein
Rick Chessen
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